

EMPLOYEE FAQ -- Voluntary Separation Program King County Pilot 2014-2016

Q1: What is the Voluntary Separation Program?

The 2014 Voluntary Separation Program (VSP) is a budget tool that allows King County to extend a pilot program offering retirement-eligible employees a financial incentive to separate from employment by December 31st of 2014, 2015, or 2016. The program is expected to provide cost savings and minimize the number of employees subject to a reduction in force.

Q2: What forms and documents should I look at to learn more?

The County encourages all employees considering participation to discuss the VSP with any trusted advisors they like; and, employees are asked to read through this FAQ and to review these related program documents which are available on the Human Resources Division Policy Page Web Site at:

<http://www.kingcounty.gov/employees/HumanResources/policies.aspx>

- The VSP Application for Represented Employees
- The VSP Application for Non-Represented Employees
- The Voluntary Separation Agreement form for Represented Employees
- The Voluntary Separation Agreement form for Non-Represented Employees
- The VSP Ordinance No. 17833
- List of participating agencies
- List of participating labor organizations

Q3: Why should I consider voluntary separation?

Some retirement-eligible employees who currently work would retire if a single financial incentive that made earlier retirement a doable option was available.

Q4: How can my voluntary separation reduce future layoffs?

The position of the separated employee may be eliminated instead of eliminating one that would have resulted in a layoff.

Q5: How can my voluntary separation reduce costs?

- Your position was eliminated from the budget, thereby creating permanent, on-going cost savings.
- Your position was repurposed and filled at a lower salary range, thereby creating permanent, on-going cost savings.
- Your position was filled in the same salary range, but at a lower step, thereby providing longer-term, limited cost savings.
- The notice that you provide may provide your agency with additional time to realign work, which may lower costs, both in the short and long-term.

Q6: How much is the incentive payment?

Participating agencies may offer a full-time employee a financial incentive of \$16,200 (a sum roughly equal to the County's maximum out-of-pocket unemployment compensation cost per laid off employee) to employees.

For part-time employees, the amount is prorated to reflect the County's monetary exposure for unemployment utilizing the Washington State Employment Security Department's unemployment insurance benefits calculator which is located at: <http://www.esd.wa.gov/uibenefits/benefitcheck/how-much.php>

Q7: Is there payroll or taxable withholdings on the incentive payment?

Yes, the financial incentive is subject to mandatory withholdings. Additional questions should be directed to *Benefits, Payroll, and Retirement Operations* at 206-684-1556 or kc.benefits@kingcounty.gov.

Q8: What else should I know about the incentive?

- The monetary incentive may not be used to fund VEBA
- The monetary incentive may be used to pay for COBRA
- Legally required withholdings will be deducted from the check; the current taxable withholding rate is 25% (this rate may change in 2015) and FICA taxes will be withheld
- If you separate on 12/31/2014 you should receive the incentive check in the mail at the address that the County has on file within 45 days
- If you separate on 12/31/2014 the check will be issued in 2015
- The incentive check will show up on your W2
- The incentive will be paid in a single lump sum

Q9: Is my agency participating in the VSP pilot?

A current list of participating agencies is located on the Human Resources Division Policy Page Web Site at:

<http://www.kingcounty.gov/employees/HumanResources/policies.aspx>

Q10: I am represented by a labor organization. How do I know if my labor organization has agreed to participate in the VSP pilot?

A current list of participating labor organizations is located on the Human Resources Division Policy Page Web Site at:

<http://www.kingcounty.gov/employees/HumanResources/policies.aspx>

Q11: How do I know if I qualify to participate?

Your request to participate will be *considered* by your agency and reviewed on a case-by-case basis to determine the impact or benefit.

You are *not* eligible if:

- You are a temporary employee
- Your agency has not announced its intent to participate in the pilot program
- You are represented by a labor organization that has not agreed that its members may participate in the pilot program
- You announced your intent to retire before your agency announced its intent to participate in the pilot program

- Your position has been identified for a reduction in force and you have no bumping rights

Willing and eligible employees will be reviewed for VSP once they self-identify – each case will be reviewed to determine the impact to service delivery, impact on the retention of other skilled employees, cost of refilling the vacated position, and short and long-term cost savings.

If you can answer “YES” to all of the following questions, you *may be considered* for VSP by your agency:

- Are you a currently employed retirement-eligible employee?
- Has your agency been approved as one that would be included in this pilot project?
- Will you submit a written request to participate in this program by completing and signing your VSP Application and Voluntary Separation Agreement on or before November 1st, submitting your separation notification, and leaving King County employment before the end of the year in which you apply (*please note that agencies may require earlier deadlines*)?
- Do you accept that you will no longer be eligible for reemployment with King County in any position, including a temporary position?
- Do you accept that you will not file for unemployment compensation upon separation of employment from King County?
- Are you eligible to apply for a pension (either full or reduced benefits) from one of the following retirement systems on or before separation of employment (separation must occur but you do not have to start drawing from the pension to be considered eligible):
 - a. Law Enforcement Officers and Firefighters Retirement System; or,
 - b. Public Employees Retirement System; or,
 - c. Public Safety Employees Retirement System; or
 - d. The City of Seattle Retirement Plan.

Q12: If my request to participate in the VSP is denied, may I grieve or otherwise appeal that decision?

Denial of your request to participate in the VSP is not subject to the grievance process. There is no right to appeal the denial.

Q13: What happens when I leave County employment under VSP?

- If you participate in this pilot and you actually retire then you will be eligible for your 35% sick-leave payout, subject to a VEBA agreement
- Accrued compensatory time is received as a cash sum
- Executive leave is not paid – it must be used or it will be forfeited
- All participating employees, regardless of their choice to retire or not, will be eligible to receive their vacation leave cashed out, subject to a VEBA agreement
- Cash out payments occur a full pay cycle (or two pay periods) after your final paycheck is issued
- Separating from employment under VSP means you cannot file for unemployment upon separating from the County under this program; but if you are employed elsewhere (not with King County) after you separate under this

VSP you may be eligible for unemployment compensation if laid-off by that employer

Q14: How can I find out more about my retirement readiness?

King County participates in the Washington State Department of Retirement Systems. Access forms and get the facts on your retirement plan at the DRS site:
<http://www.drs.wa.gov/>

You can find more information on Retirement Readiness by visiting the King County Retirement web site or by attending a monthly Exit Class – register at kc.orientations@kingcounty.gov; or, you may contact Benefits and Retirement Operations directly at kc.benefits@kingcounty.gov or 206-684-1556

When you retire from County employment, Benefits and Retirement Operations automatically notifies the Washington State Department of Retirement Systems (DRS); however, employees should consider contacting DRS well before separation to:

- Get a schedule of retirement planning seminars (DRS recommends attending a seminar two to five years before you retire, but it is never too late)
- Get an estimate of your retirement benefits
- Request an application for retirement

Q15: What are the retirement plans?

- **Regular or Local 587 employee** = Public Employees' Retirement System (PERS)
- **Deputy Sheriff or paramedic** = Law Enforcement Officers' and Fire Fighters' (LEOFF)
- **Public safety employee** = Public Safety Employees' Retirement System (PSERS)
- **Former City of Seattle employee** = Seattle City Employees' Retirement System (SCERS) if you were formally grandfathered with continued participation in the city retirement system <http://www.seattle.gov/retirement/faq.htm>

Standard retirement eligibility varies by plan, as noted below:

Plan	Standard <i>Full</i> Retirement Eligibility*	Reference
PERS 1	Age 60 and 5 years of service Age 55 and 25 years of service 30 years of service (any age)	RCW.41.40.180
PERS 2	Age 65 and 5 years of service	RCW 41.40.630(1)
PERS 3	Age 65 and 10 years of service Age 65 and 5 years of service, including 12 months of service after age 54 Age 65 and 5 years of service, if the member completed 5 years of service before the Plan 2 to 3 transfer date in RCW 41.40.795	RCW 41.40.820(1)
LEOFF I	Age 50 and 5 years of service	RCW 41.26.090(1)
LEOFF II	Age 53 and 5 years of service	RCW 41.26.430(1)
PSERS	Age 65 and 5 years of service credit Age 60 with 10 years of PSERS service credits	RCW 41.37.210

*For early retirement options, see more information on the referenced RCW (e.g., PERS 2: Age 55 or older plus ten years of service with actuarial deduction).

The Washington State Department of Retirement Systems provides an annual retirement statement. As a member of one of the participating retirement systems you can log into your online personal defined benefit account:

<http://www.drs.wa.gov/administration/my-drs/>

King County Employees can also view current retirement plan contributions at any time by logging in to PeopleSoft Self Service “View Paycheck”:

<https://larch.kingcounty.gov:17100/psp/SVCP1/?cmd=login&languageCd=ENG> –

Q16: Why does the VSP Agreement provide that I have 45 calendar days to consider the agreement and 7 days after I sign it to revoke my agreement?

When an employer such as the County offers voluntary separation incentive programs, your opportunity to consider and revoke the agreement is required under the federal Age Discrimination in Employment Act, also known as the ADEA. The ADEA protects workers over age forty from discrimination based upon age.